



## **Texas Department of Insurance**

### **Division of Workers' Compensation**

Medical Fee Dispute Resolution, MS-48

7551 Metro Center Drive, Suite 100 • Austin, Texas 78744-1645

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## **MEDICAL FEE DISPUTE RESOLUTION FINDINGS AND DECISION**

### **GENERAL INFORMATION**

#### **Requestor Name and Address**

STONEGATE SURGERY CENTER  
2501 WEST WILLIAM CANNON DRIVE SUITE 301  
AUSTIN TX 78745-5256

#### **Respondent Name**

LM INSURANCE CORP

#### **Carrier's Austin Representative Box**

Box Number 01

#### **MFDR Tracking Number**

M4-12-3169-01

#### **MFDR Date Received**

JUNE 21, 2012

### **REQUESTOR'S POSITION SUMMARY**

**Requestor's Position Summary:** "Liberty Mutual took too much of a multiple procedure or bilateral procedure discount on two of the charges we billed, resulting in these two charges being underpaid. "

**Amount in Dispute:** \$346.24

### **RESPONDENT'S POSITION SUMMARY**

**Respondent's Position Summary:** "The provider states that 64636 59 RT and 64636 LT was reduced incorrectly and took as an incorrect multiple procedure adjustment. Bilateral procedures are priced at 150% of MAR. The MAR for 64483 at MPR] is 346.23 times 150% = \$519.35 [payment made over 2 lines – 346.23 plus 173.12 = 258.66]. Provider is not considering the pricing at 150% for bilateral procedures."

**Response Submitted by:** Liberty Mutual Insurance Co.

### **SUMMARY OF FINDINGS**

Dates of Service	Disputed Services	Amount In Dispute	Amount Due
January 10, 2012	ASC Services for CPT Code 64636-RT and 64636-59-RT	\$346.24	\$344.09

### **FINDINGS AND DECISION**

This medical fee dispute is decided pursuant to Texas Labor Code §413.031 and all applicable, adopted rules of the Texas Department of Insurance, Division of Workers' Compensation.

#### **Background**

1. 28 Texas Administrative Code §133.307 sets out the procedures for resolving a medical fee dispute.
2. 28 Texas Administrative Code §134.402, titled *Ambulatory Surgical Center Fee Guideline*, effective August 31, 2008, sets out the reimbursement guidelines for ambulatory surgical care services.
3. The services in dispute were reduced/denied by the respondent with the following reason codes:

#### **Explanation of benefits**

- 45- Charges exceed your contracted/legislated fee arrangement.
- Z710-The charge for this procedure exceeds the fee schedule allowance.
- B13-Previously paid. Payment for this claim/service may have been provided in a previous payment.
- 193-Original payment decision is being maintained. Upon review, it was determined that this claim was processed properly.

## Issues

1. Does the submitted documentation support that a contractual agreement issue exists in this dispute?
2. Is the requestor entitled to reimbursement?

## Findings

1. According to the explanation of benefits, the carrier paid the services in dispute in accordance with a contracted or legislated fee arrangement. The "PPO AALOW" amount on the submitted explanation of benefits denotes a "N/A" discount. The Division finds that documentation does not support that the services were discounted due to a contract; therefore, reimbursement for the services will be reviewed in accordance with applicable division rules and guidelines.
2. 28 Texas Administrative Code §134.402(d) states " For coding, billing, and reporting, of facility services covered in this rule, Texas workers' compensation system participants shall apply the Medicare payment policies in effect on the date a service is provided with any additions or exceptions specified in this section."

CMS Policy Manual for ASC services states A" procedure performed bilaterally in one operative session is reported as two procedures, either as a single unit on two separate lines or with "2" in the units field on one line. The multiple procedure reduction of 50 percent applies to all bilateral procedures subject to multiple procedure discounting."

A review of the disputed service indicates that the requestor is disputing payment for CPT code 64636 at two levels.

CPT code 64636 is defined as "Destruction by neurolytic agent, paravertebral facet joint nerve(s), with imaging guidance (fluoroscopy or CT); lumbar or sacral, each additional facet joint (List separately in addition to code for primary procedure)"

28 Texas Administrative Code §134.402(f)(1)(A) states "The reimbursement calculation used for establishing the MAR shall be the Medicare ASC reimbursement amount determined by applying the most recently adopted and effective Medicare Payment System Policies for Services Furnished in Ambulatory Surgical Centers and Outpatient Prospective Payment System reimbursement formula and factors as published annually in the *Federal Register*. Reimbursement shall be based on the fully implemented payment amount as in ADDENDUM AA, ASC COVERED SURGICAL PROCEDURES FOR CY 2008, published in the November 27, 2007 publication of the *Federal Register*, or its successor. The following minimal modifications apply: (1) Reimbursement for non-device intensive procedures shall be: (A) The Medicare ASC facility reimbursement amount multiplied by 235 percent."

According to Addendum AA, CPT code 64636 is a non-device intensive procedure and is subject to multiple procedure rule discounting.

The City Wage Index for Austin, Texas is 0.9535.

The Medicare fully implemented ASC reimbursement for code 64636 CY 2012 is \$300.76.

**To determine the geographically adjusted Medicare ASC reimbursement for code 64636:**

The Medicare fully implemented ASC reimbursement rate of \$300.76 is divided by 2 = \$150.38

This number multiplied by the City Wage Index is  $\$150.38 \times 0.9535 = \$143.38$ .

Add these two together  $\$150.38 + \$143.38 = \$293.76$ .

**To determine the MAR multiply the geographically adjusted Medicare ASC reimbursement by the DWC payment adjustment factor of 235%**

$\$293.76 \times 235\% = \$690.33$ . This code is subject to multiple procedure rule discounting; therefore,  $690.33 \times 50\% = \$345.16$ . The Requestor is billing for two levels = \$690.33. The respondent paid \$346.24. The difference between the MAR and amount paid is \$344.09. As a result, this amount is recommended for additional reimbursement.

## Conclusion

For the reasons stated above, the Division finds that the requestor has established that additional reimbursement is due. As a result, the amount ordered is \$ 344.09.

## ORDER

Based upon the documentation submitted by the parties and in accordance with the provisions of Texas Labor Code Sections 413.031 and 413.019 (if applicable), the Division has determined that the requestor is entitled to additional reimbursement for the services involved in this dispute. The Division hereby ORDERS the respondent to remit to the requestor the amount of \$344.09 plus applicable accrued interest per 28 Texas Administrative Code §134.130, due within 30 days of receipt of this Order.

### Authorized Signature

_____	_____	06/14/2013
Signature	Medical Fee Dispute Resolution Officer	Date

## YOUR RIGHT TO APPEAL

Either party to this medical fee dispute has a right to seek review of this decision in accordance with 28 Texas Administrative Code §133.307, effective May 31, 2012, *37 Texas Register 3833*, **applicable to disputes filed on or after June 1, 2012.**

A party seeking review must submit a **Request to Schedule a Benefit Review Conference to Appeal a Medical Fee Dispute Decision** (form **DWC045M**) in accordance with the instructions on the form. The request must be received by the Division within **twenty** days of your receipt of this decision. The request may be faxed, mailed or personally delivered to the Division using the contact information listed on the form or to the field office handling the claim.

The party seeking review of the MDR decision shall deliver a copy of the request to all other parties involved in the dispute at the same time the request is filed with the Division. **Please include a copy of the *Medical Fee Dispute Resolution Findings and Decision*** together with any other required information specified in 28 Texas Administrative Code §141.1(d).

**Si prefiere hablar con una persona en español acerca de ésta correspondencia, favor de llamar a 512-804-4812.**